

Message Text

UNCLASSIFIED

PAGE 01 MANILA 11158 200951Z

ACTION EA-09

INFO OCT-01 ISO-00 AGRE-00 EB-07 COME-00 TRSE-00 OMB-01

CIAE-00 INR-07 NSAE-00 PA-02 USIA-15 PRS-01 SP-02

L-03 /048 W

-----126417 201110Z /15

R 200805Z JUL 77

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2590

UNCLAS MANILA 11158

E.O. 11652: N/A

TAGS: EAGR,RP

SUBJ: SUGARLANDS MAY BE PLACED UNDER LAND REFORM

1. PRESIDENT MARCOS ANNOUNCED THAT THE GOVERNMENT IS CONSIDERING PLACING SUGARLANDS UNDER THE LAND REFORM PROGRAM WHICH WOULD QUOTE "ABOLISH THE TENANCY SYSTEM AND PERSUADE LANDOWNERS TO SELL THEIR LANDS TO THOSE WHO WILL TILL THEIR FIELDS." UNQUOTE. THE PRESIDENT STATED THAT HE FELT THE SUGAR INDUSTRY WOULD NOT PROSPER UNDER THE TENANCY SYSTEM.

2. COMMENT - IT IS DIFFICULT TO DETERMINE WHY THE GOVERNMENT WOULD EVEN CONSIDER SUCH AN ACT. TENANCY IS NOT A PROBLEM IN THE SUGAR INDUSTRY, AND IS ONLY PREVALENT IN CENTRAL LUZON WHICH PRODUCES LESS THAN 10PERCENT OF ALL PHILIPPINE SUGARCANE. LAND REFORM WOULD SIGNIFICANTLY REDUCE PRODUCTION BECAUSE OF THE FRAGMENTATION OF FARMS. IF THIS IS THE GOVERNMENT'S INTENT, THERE ARE OTHER ALTERNATIVES WHICH WOULD NOT HAVE SUCH AN ADVERSE EFFECT ON THE INDUSTRY.

ONE KNOWLEDGEABLE TRADE CONTACT ACCURATELY STATES THAT LAND REFORM WOULD CAUSE THE DEATH OF THE PHILIPPINE SUGAR INDUSTRY. AT THE CURRENT PRICE, MOST OF THE SUGARCANE FARMS UNDER 50 HECTARES ARE OPERATING BELOW THE BREAK-EVEN POINT. DIVIDING LARGE HACIENDAS INTO SMALLER PRODUCTION UNITS

UNCLASSIFIED

PAGE 02 MANILA 11158 200951Z

WOULD LOWER YIELDS SUBSTANTIALLY AND INCREASE THE COST OF PRODUCTION. SUGARCANE HARVESTED FROM SMALL OR MARGINAL PRODUCERS IS GENERALLY LOWER IN PURITY AND HARDER TO MILL.

LAND REFORM FOR SUGARLANDS IS NOT EXPECTED TO BECOME EFFECTIVE BECAUSE THE ADVERSE EFFECTS OF SUCH A PROGRAM ARE WIDELY KNOWN THROUGHOUT THE INDUSTRY. TRADE CONTACTS

BELIEVE THAT COMMISSIONER BENEDICTO WILL CERTAINLY ADVISE
THE PRESIDENT AGAINST SUCH A POLICY. (BENEDICTO IS CURRENTLY
IN LONDON ATTENDING THE ISA TALKS). THE FACT THAT THE
PRESIDENT MADE A VERY LIMITED STATEMENT ON THE SUBJECT AND
WOULD NOT DISCUSS IT FURTHER COULD ALSO INDICATE THAT THIS
IS NOT A SERIOUS CONSIDERATION.
STULL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, POLICIES, LAND REFORMS
Control Number: n/a
Copy: SINGLE
Sent Date: 20-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MANILA11158
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770257-0908
Format: TEL
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770739/aaaabhaq.tel
Line Count: 69
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: eb210467-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1805271
Secure: OPEN
Status: NATIVE
Subject: SUGARLANDS MAY BE PLACED UNDER LAND REFORM
TAGS: EAGR, RP
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/eb210467-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009